



CALIFORNIA HEALTH ADVOCATES

Low Income Assistance: Medicare Savings Programs

There are several programs that assist people with low incomes and asset levels. These programs help pay for some Medicare costs and are called Medicare Savings Programs (MSP). They are referred to as QMB, SLMB, QI-1, and QDWI (described below). These MSPs are part of the Medi-Cal program (this is the term in California for the state's "Medicaid" program). Information on eligibility and enrollment criteria is on the next page.

The Qualified Medicare Beneficiary (QMB) program helps people pay for the following Medicare costs:

- Medicare Part A premium. People who have earned 40 Social Security quarters (equivalent to 10 years of full-time work) automatically receive Part A for free. However, people who haven't earned 40 Social Security quarters must pay a premium for Part A and the amount they pay is based on how many Social Security quarters they have earned. For example, people who have earned 30-39 Social Security quarters would pay a monthly premium of \$226 in 2007 for Part A, and people who have earned fewer than 30 Social Security quarters would have to pay a monthly premium of \$410 in 2007 for Part A.
- Medicare Part B premium (\$93.50, per month in 2007).
- Deductibles for both Part A and Part B. The Part A deductible in 2007 is \$992 per benefit period and the Part B deductible is \$131 annually.
- Co-insurance under both Part A and Part B. For example, under Part A, QMB would pay the \$992 first day hospital deductible, the \$248 per day for hospital days 61-90, and the \$496 per day for the 60 hospital reserve days in 2007. Part B coverage pays 80% of the physician and outpatient expenses and QMB would pay the remaining 20% co-insurance, **as long as**

the person sees doctors and other providers who accept Medi-Cal.

The Specified Low-Income Medicare Beneficiary (SLMB) program helps low-income people pay their Part B premiums (\$93.50 per month in 2007). (Otherwise this premium would be deducted monthly from their Social Security checks.)

The Qualified Individual (QI) program allows for a higher income limit than the SLMB or QMB programs and it also helps low income people pay for their Part B premiums (\$93.50 per month in 2007).

The Qualified Disabled Working Individual (QDWI) program is available to people who had Social Security and Medicare because of a disability, but who lost their Social Security benefits and their free Part A benefits because they returned to work and their earnings exceeded the limit allowed. QDWI pays for the Part A premium, but it doesn't pay for Part B.

Eligibility Criteria

- For QMB, your monthly income cannot exceed \$851 if you are single. If married, a couple's monthly income cannot exceed \$1,141.
- For SLMB, your monthly income cannot exceed \$1,021 if you are single. If married, a couple's monthly income cannot exceed \$1,369.
- For QI, your monthly income cannot exceed \$1,149 if you are single. If married, a couple's monthly income cannot exceed \$1,541.
- For QDWI, your monthly income cannot exceed \$1,702 if you are single. If married, a couple's monthly income cannot exceed \$2,282.

Note: These income amounts do not include a \$20 "disregard" (under eligibility rules relating to

income for these programs, \$20 is removed or disregarded from “countable” income).

For the QMB, SLMB, QI-1 and QDWI programs, your personal assets (cash, money in the bank, stocks, bonds, etc.) cannot exceed **\$4,000 for an individual or \$6,000 for married couples**. Exclusions include a home, household goods and personal belongings, one car, a life insurance policy with a face value of \$1,500 per person, a prepaid burial plan (unlimited if irrevocable; up to \$1,500 if revocable), and a burial plot. For six months after receipt, retroactive Social Security or SSI benefits are also excluded. The value of these items is not calculated into your personal asset limit.

Enrollment

To enroll in QMB, SLMB, QI-1, or QDWI you must also be eligible to get Medicare Part A and Part B. If you are already on Medicare, contact your county office of the California Department of Social Services (DSS) to apply for QMB, SLMB, QI-1, or QDWI benefits.

If you are not presently on Medicare, apply first for Medicare Part A and/or Part B at any Social Security Office and state in writing that you are applying for conditional Medicare under one of the above programs. “Conditional Medicare” means that you only want Medicare on the condition that a MSP will pay for your Medicare premiums. Once you become eligible for Medicare, you should follow up with your local county’s DSS office to apply for QMB, SLMB, QI-1, or QDWI benefits, or to verify your application status. (Medi-Cal recipients don’t need to complete a new application.) For additional information, see our Fact Sheet “Low Income Assistance: Medi-Cal for People with Medicare” (www.cahealthadvocates.org).

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The Health Insurance Counseling and Advocacy Program (HICAP) provides free, objective information and counseling on Medicare and other related topics. You can call **1-800-434-0222** with your questions or to make an appointment at the HICAP office nearest you. To find the HICAP office in your area, visit <http://www.calmedicare.org/counseling/>